



Financial Institution Handbook for EFTPS

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FINANCIAL INSTITUTION EFTPS HANDBOOK

The primary purpose of this document is to provide financial institutions with information summarizing the key payment mechanisms available in the Electronic Federal Tax Payment System (EFTPS) for taxpayers.

The electronic mechanisms used to support the electronic tax system may have implications for numerous operational areas within your organization. These areas include Automated Clearing House, Cash Management, Fedwire® Funds Transfer, and Treasury Tax and Loan. Close review of the information contained in this booklet is strongly encouraged.

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WHAT IS EFTPS?

The **Electronic Federal Tax Payment System (EFTPS)** is an electronic system for paying federal taxes. EFTPS benefits taxpayers, financial institutions, and the federal government by replacing the labor-intensive and costly paper-based system with one that streamlines and simplifies the payment of federal taxes.

With EFTPS, the paper-based system is converted into an electronic system—one in which tax payment information and funds move electronically. It has become the preferred method for tax payments by small, medium, and large businesses throughout the country.

The primary objectives of EFTPS are:

1. To reduce the burden of compliance on taxpayers—by providing payment mechanisms that are convenient for all taxpayers.
2. To increase the speed, efficiency, and accuracy of tax payments and taxpayer account posting.
3. To expedite the availability of funds to the government—while providing critical investment decision-making information to the Treasury.

EFTPS eliminates the highly error-prone process of handling paper coupons and checks. Taxpayers no longer have to deliver their checks and coupons to their financial institution, or mail them to the IRS.

EFTPS interfaces with the TT&L program, enabling financial institutions to participate in Treasury's Investment Program.

In addition to the ease and convenience for taxpayers, EFTPS also provides several benefits to the federal government.

- The Internal Revenue Service (*IRS*) benefits by the reduction of paper payments and the receipt of more accurate tax payment information. The IRS is also able to access meaningful information management reports to perform a variety of analysis.
- The Financial Management Service (*FMS*) benefits from the acceleration of the receipt of tax classification information that is vital to making accurate investment and monetary policy decisions. In the paper-based FTD system, it takes approximately 5 to 7 days for FMS to receive the tax classification information compared to 1 day with EFTPS.
- Financial institutions benefit from the elimination of a labor-intensive, error-prone paper process... saving time and money on the processing of paper checks and tax deposit coupons.



ACH – Automated Clearing House

CCD+TXP – formatted addenda record layout

Collector Financial Institution – TT&L funds are withdrawn immediately by FRB

EFT Acknowledgement Number – 15-digit Electronic Funds Transfer number assigned to each tax deposit

EFTPS – Electronic Federal Tax Payment System

EIN – Employer Identification Number

Fedwire® – Federal Reserve communications network including the Funds Transfer Application

Financial Agent – financial institution designated by FMS to operate EFTPS

FMS – Financial Management Service of the Treasury

FR-ETA – Federal Reserve Electronic Tax Application

FRB – Federal Reserve Bank

IRS – Internal Revenue Service

Name Control – Usually the first four significant characters of the taxpayer's name used in conjunction with the TIN to identify a taxpayer

NCSA – National Customer Service Area, the centralized TT&L help desk

PATAX – system to handle paper tax payments

Retainer Financial Institution – TT&L funds are available to financial institution

RTN – a unique bank identifier; Routing Transit Number

TIP – Treasury Investment Program

TT&L – Treasury Tax & Loan

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Required Taxpayers

Any business taxpayer may use EFTPS. However, according to IRS regulations, businesses that pay more than \$200,000 in federal tax payments in any given year are required to use EFTPS for all their federal business tax payments the second year hence. For example: if a business pays \$200,000 or more in aggregate tax deposits for 2005, in **January of 2007** they must begin using EFTPS.

NOTE: *Businesses with aggregate federal tax deposits exceeding \$200,000 during any calendar year will become subject to the requirement to deposit by electronic funds transfer beginning January of the second succeeding year, and they can no longer use paper coupons for any tax payment, or they may be subject to a tax penalty.*

It is the taxpayer's responsibility and not the financial institution's to monitor this requirement.

Business taxpayers required to begin paying taxes electronically by January of each year are notified in advance by the IRS with instructions to enroll in EFTPS. These taxpayers are encouraged to enroll early and begin paying federal taxes electronically prior to the **January 1 start date**.

To expedite the EFTPS enrollment process, the IRS will Express Enroll required businesses in EFTPS. To begin using EFTPS, the taxpayer will automatically receive by mail:

- a PIN (*Personal Identification Number*) and
- a payment instruction booklet.

To begin using EFTPS, these required taxpayers will need to call 1-800-555-3453 to activate their enrollment, and enter their financial institution account information.

The taxpayer can then call 1-800-982-3526 to obtain an Internet Password for making EFTPS payments online.

With the taxpayer's EIN, PIN and Internet Password, the required business will be able to make federal tax payments using EFTPS by Internet and phone.

Required taxpayers that continue to use a paper coupon to pay federal taxes may be assessed a penalty by the IRS.

EFTPS—THINGS YOU NEED TO KNOW

EFTPS—Electronic Federal Tax Payment System is easy to use. It is a tax payment system in which the federal tax payment information and funds move electronically, via the Automated Clearing House (ACH) or Same-Day Payment mechanisms. ACH allows taxpayers to electronically initiate tax payment transactions either directly through EFTPS (*as an ACH Debit origination*) or through their own financial institution (*as an ACH Credit origination*). In both cases, the result is a withdrawal from the taxpayer's account and a credit to the Treasury.

When taxpayers enroll in EFTPS, they have the flexibility of choosing how they want to make their payments:

EFTPS ACH Debit

EFTPS ACH Credit

NOTE: While the Same-Day Payment mechanism is available to business taxpayers, it is not an EFTPS enrollment option. However, it is strongly recommended for payment accuracy that all Same-Day Payment users enroll in EFTPS.

Taxpayers selecting EFTPS as an ACH Debit transaction against their bank account, will initiate their tax payment directly through EFTPS; the system will prompt them to provide the required information. Taxpayers use the Internet or a voice response phone system to make tax payments 24 hours a day, 7 days a week.

Using EFTPS ACH Credit, taxpayers initiate their tax payments through their financial institutions. The FI then originates an ACH Credit transaction, debiting the taxpayer's bank account and sending the credit to the Treasury. When sending an electronic tax payment transaction using ACH Credit, the financial institutions must provide the information needed to post the payment to the taxpayer's IRS tax account by using extended record formats called addenda records (*pages 26-29*).

Free EFTPS Marketing Materials

To help financial institutions promote EFTPS, the U. S. Department of the Treasury provides free marketing materials that can be ordered in quantity. Materials can be ordered directly from the Financial Management Service (FMS) web site at www.fms.treas.gov or by calling 1-888-725-7879. Materials include brochures, enrollment forms, statement stuffers and free EFTPS links to add to a web site.

Financial Institutions can become EFTPS Batch Providers

Financial Institutions also have an opportunity to register as an EFTPS Batch Provider, which allows up to 5,000 business or individual federal tax payments to be made in one transaction. The free Batch Provider Software gives the option of making payments directly from customers' bank accounts, or from a Master Account that the financial institution maintains, or both.

Call the EFTPS Financial Institution Helpline for more information.

REMEMBER

Taxpayers can authorize EFTPS to initiate an ACH Debit transaction against their bank account, or they can authorize their financial institution to initiate an ACH Credit transaction. Taxpayers using a Same-Day Payment mechanism authorize their financial institution to initiate a Fedwire® transaction. In all cases, the result is the same: the taxpayer is debited and the Treasury is credited for the tax payment.

REMEMBER

Your responsibilities in the enrollment process for taxpayers electing EFTPS ACH Debit are:

- **verify the RTN and account number on the enrollment form if requested**
- **accept an ACH Debit pre-note**
- **verify that the information is correct on the pre-note, and send a Notification of Change (NOC) to EFTPS if any corrections should be made.**

ENROLLMENT

Your customers will interface with EFTPS in three areas:

1. Enrollment (*via EFTPS online or paper*)
2. Tax Payment
3. Customer Assistance

All taxpayers must enroll to participate in EFTPS.

Required Taxpayers

Business taxpayers that are required to begin paying federal taxes electronically through EFTPS will receive notification from the IRS. Required taxpayers will be automatically enrolled, and will receive their PIN and payment instructions by mail. To begin using EFTPS, these required taxpayers will need to call 1-800-555-3453 to activate their enrollment, and enter their financial institution account information.

Voluntary Taxpayers

Taxpayers can volunteer at any time to pay federal taxes electronically using EFTPS. Taxpayers can enroll online or they can request a paper enrollment form from EFTPS Customer Service. Financial institutions may request enrollment forms for their customers by contacting the EFTPS Financial Institution Helpline.

Enrollment Timing

It is advisable that taxpayers enroll early to allow enough time for their enrollment to be processed prior to making their first tax payment using EFTPS. For any payment option, the entire enrollment process requires approximately 2-10 days via the Internet, and 10-15 business days via mail. It could take longer if enrollment discrepancies arise. That's especially important for taxpayers required to deposit electronically.

Enrollment is simple.

To enroll, taxpayers may go to www.eftps.gov or call EFTPS Customer Service at 1-800-555-4477 for Form 9779 for Businesses or Form 9783 for Individuals. On the enrollment form, taxpayers indicate the payment method they will use to pay their taxes—either EFTPS ACH Debit or EFTPS ACH Credit. While the Same-Day Payment mechanism is available to business taxpayers, it is not an EFTPS enrollment option. However, it is strongly recommended for payment accuracy that all Same-Day Payment users enroll in EFTPS.

9779 Business Enrollment Form

Before taxpayers enroll in **EFTPS**, taxpayers will need to have some information ready:

- Taxpayer Identification Number (TIN)

This is an EIN (*Employer Identification Number*) for businesses.

For individuals, this is a SSN (*Social Security Number*).

- Taxpayer financial institution information

- financial institution's RTN (*Routing Transit Number*)
- account number
- account type (*checking or savings*).

The enrollment process for a taxpayer selecting **EFTPS ACH Debit** is as follows:

1. The taxpayer completes the enrollment form (*either online or paper*), indicating their financial institution's RTN, and their bank account number.
2. The taxpayer may ask their financial institution to verify their RTN and account number. The taxpayer is responsible for sending the form to EFTPS.
3. When EFTPS receives the enrollment, the taxpayer information is captured to create a taxpayer record in the EFTPS database.
4. EFTPS then originates an ACH Debit pre-notification against the taxpayer's bank account to verify that the RTN and bank account numbers captured are correct. When you receive the pre-note transaction through ACH, you are expected to verify that the information is correct, and send a Notification of Change (*NOC*) to EFTPS if any corrections should be made.
5. At the same time, EFTPS creates a validation file containing the TIN, name and address. That file is sent to IRS for validation against its taxpayer database.

Once a taxpayer is enrolled and wishes to use EFTPS online, an Internet Password must be obtained.

For an Internet Password taxpayers call: **1-800-982-3526**

The taxpayer will need to enter their TIN, PIN and the last eight digits of their Enrollment Trace Number, which is at the top of the EFTPS Confirmation Update Form they received in the mail with the EFTPS Confirmation Package.



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Confirmation Package

If all the information is correct on the enrollment form, then the **EFTPS** taxpayer is sent a Confirmation Package. This package includes:

- Confirmation Update Form showing all the information captured, including the taxpayer's Enrollment Trace Number.
- Instructions on how to obtain an Internet Password.
- Payment Instruction Booklet that includes everything a taxpayer needs to know about EFTPS, including instructions for making tax payments using the Internet and voice response system, and instructions for making same-day payments.
- A Personal Identification Number (PIN) will be sent under separate cover. If the taxpayer enrolled online, their PIN will be sent to the taxpayer's official IRS address of record. If a paper enrollment is used, the PIN will be sent to the Primary Contact.

The TIN and PIN combination are to be used by the taxpayer when making their tax payment through EFTPS by phone, or when calling EFTPS Customer Service for any reason. In addition, a separate Internet Password is required for making payments through EFTPS online.

The enrollment process for a taxpayer selecting **EFTPS ACH Credit** is as follows:

1. The taxpayer checks with their financial institution to make sure their financial institution offers an ACH Credit origination service and that they are eligible to use this service;
2. The taxpayer completes the enrollment form online or mails it to EFTPS;
3. EFTPS then goes through the same process as with EFTPS ACH Debit creating a taxpayer file, and sending a file to IRS for validation of the information received from the taxpayer. However, EFTPS does not create a pre-note, because ACH Credit tax payments are originated by the taxpayer's financial institution.

The image shows a sample of the EFTPS Tax Form 9787. It is a Department of the Treasury form titled "Tax Form 9787 with Instructions (OMB 1545-1407)". It includes a "When your form is completed, please mail to:" section with the address: EFTPS Enrollment Processing Center, P.O. Box 173788, Denver, Colorado 80217-3788. There is an "IMPORTANT" note: "Please keep this form in your files for future reference." The form is divided into sections: "Taxpayer Information" (1-11), "Contact Information" (12-14), and "Business Confirmation/Update Form" (15-16). It includes instructions for completing the form and a section for "For questions regarding EFTPS or this Form please call:" with a toll-free number 1-800-425-4925. The form also includes a "PLEASE CALL THE IRS AT" section with a toll-free number 1-800-425-4925. The form is labeled "BUSINESS Confirmation/Update Form" and includes a "PLEASE keep this form for future reference." note.

9787 Business Confirmation/Update Form

Confirmation Package

The **EFTPS ACH Credit** taxpayer also receives a confirmation package which contains:

- Confirmation Update Form; showing all the information captured, including the taxpayer's Enrollment Trace Number.
- Payment Instruction Booklet that includes everything a taxpayer needs to know about EFTPS including instructions for making tax payments using ACH Credit, and Same-Day Payments, as well as the Treasury RTN and account number to which the ACH Credit transactions should be directed.
- A Personal Identification Number (PIN) will be sent under separate cover. If the taxpayer enrolled online, their PIN will be sent to the taxpayer's official IRS address of record. If a paper enrollment is used, the PIN will be sent to the Primary Contact.

The taxpayer will be instructed to bring their ACH Credit instructions to their Financial Institution:

- The Financial Institution will then originate a Zero Dollar ACH Credit transaction (*Trans code 24 or 34*) with the formatted addenda record that contains the relevant taxpayer information—the TIN, Name Control, tax form number, etc., so that EFTPS can verify the syntax of the record. (*See pages 26-29 for format information.*)
- EFTPS will send the Financial Institution an NOC if the Zero Dollar transaction was received with any formatting errors. You will be instructed to contact the EFTPS FI Helpline for further information.

For EFTPS ACH Credit payment method, taxpayers can access EFTPS online (www.eftps.gov) and click on payment history, or call Customer Service on the expected settlement date to verify that their payment was received. Taxpayers must provide their TIN and PIN to the Customer Service Representative. To access payment history online, the taxpayer must have an Internet Password.

NOTE: *It's important to remember that the ACH Credit payment method requires a special ACH record format—a NACHA CCD+ with a TXP addenda. This information is on pages 26-29.*

NAME CONTROL:

Usually the first four significant characters of the taxpayer's name used in conjunction with the TIN to identify a taxpayer.

EFTPS ACH CREDIT:

If taxpayers choose to use EFTPS ACH Credit they can only use EFTPS online to check payment history. In order to do so, the taxpayer must obtain an Internet Password.



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Financial Institution responsibilities in the enrollment process for taxpayers electing *EFTPS ACH Credit* are:

- Originate a Zero Dollar ACH Credit transaction (*Tran code 24 or 34*) with the formatted addenda record at least 10 days prior to the first live tax payment.

■ Federal Reserve Electronic Tax Application (*FR-ETA*) Same-Day Payment

Taxpayers do not select this option during enrollment.

The FR-ETA payment mechanisms may be used by all business taxpayers as a *backup* to the other payment options. The FR-ETA Same-Day Payment mechanism is:

- Fedwire® Funds Transfer
 - Value tax deposit messages (*Typecode 1000*)
 - Non-Value tax deposit messages (*Typecode 1090*)

Use of this mechanism is limited to business taxpayers. Taxpayers receive instructions on use of the Same-Day Payment option in their Confirmation Package. Financial institutions may obtain Same-Day Payment format information online, at: www.frb services.org/Treasury/pdf/Sameday.pdf

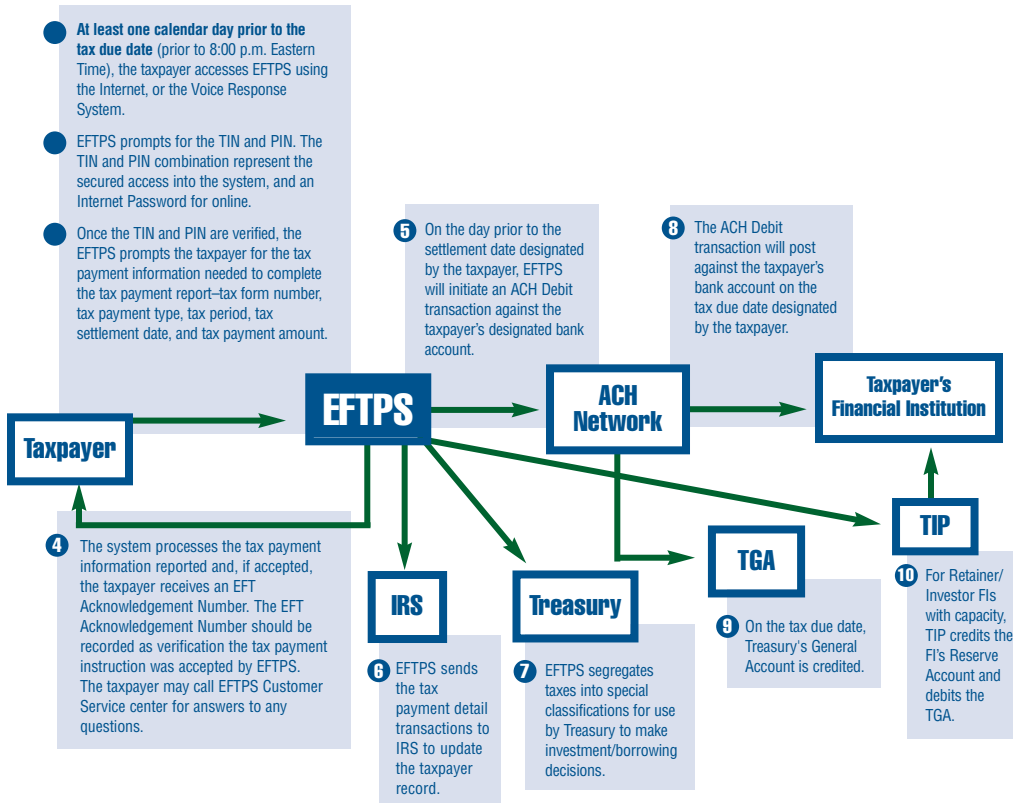
TAX PAYMENT INSTRUCTIONS: EFTPS ACH DEBIT

With EFTPS ACH Debit a taxpayer has 2 payment options:

- **EFTPS online**
- **EFTPS by phone**

Both methods are interchangeable.

Regardless of the payment option selected, the taxpayer controls the initiation of the tax payment.



For EFTPS ACH Debit...

- By 8:00 p.m. Eastern Time, at least 1 calendar day prior to the tax due date, taxpayers access EFTPS to make their tax payment so that the ACH Debit settles against their account on the tax due date.

EFTPS offers payment scheduling capabilities. This feature enables taxpayers to schedule their tax payments well in advance of tax due date—up to 120 days for business taxpayers and 365 days for individuals. EFTPS will store the tax payment instructions, and will originate the transaction 1 calendar day prior to the tax due date entered. Taxpayers who use this feature may access the system up until 2 business days prior to tax due date to cancel the transaction if necessary.

REMEMBER

EFTPS ACH Debit offers payment scheduling capabilities. This feature enables taxpayers to schedule their tax payments well in advance of tax due date—up to 120 days for business taxpayers and 365 days for individuals. Such transactions still settle on the date designated when the payment was scheduled. Scheduled payments may be cancelled up to 2 business days before the tax due date.

REMEMBER

The EFT Acknowledgement Number is a receipt of the taxpayer's instructions.

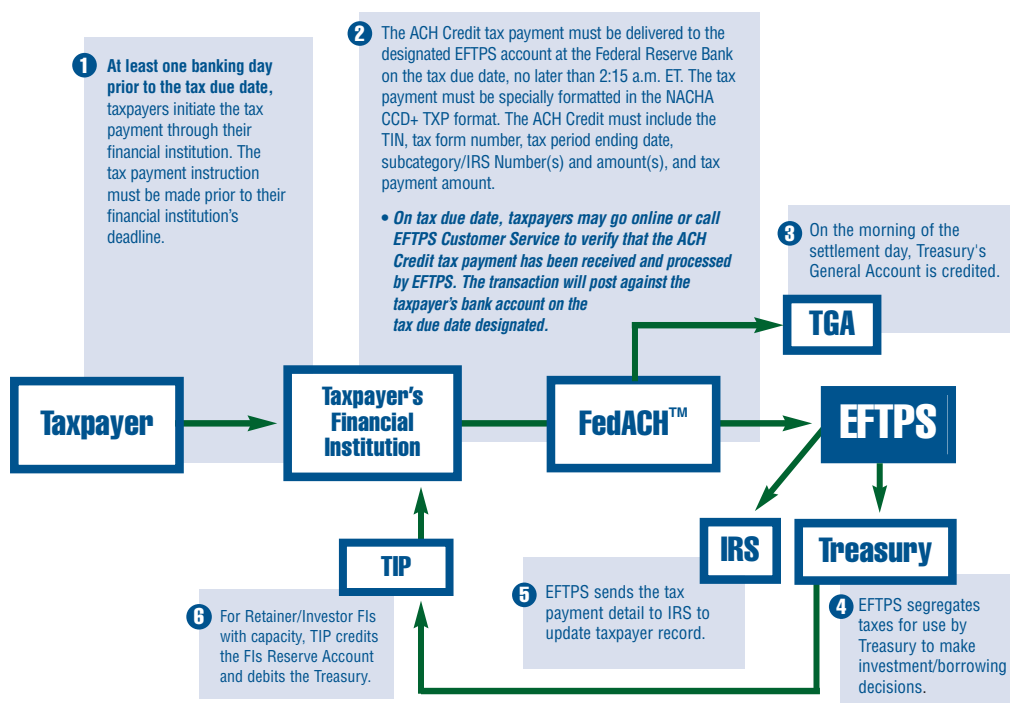
The taxpayer must record and use the EFT Acknowledgement Number in any communications regarding that tax payment.

- The taxpayer completes the tax payment via Internet or phone. EFTPS verifies the tax payment information against the database. If the information passes validation, the taxpayer receives an EFT Acknowledgement Number, which serves as verification of the tax payment instruction. The taxpayer must record and use this EFT Acknowledgement Number in any communications regarding that tax payment. If EFTPS detects any error in the information reported, the error will be communicated to the taxpayer and they will have the opportunity to correct the information.
- Throughout the day, EFTPS creates ACH Debit files that are transmitted to the FedACHTM for distribution to the receiving financial institutions.
- On the settlement date, the Treasury is credited and the taxpayer's financial institution is debited via ACH.
- EFTPS also creates a file containing tax payment detail transactions. This file is delivered electronically to the IRS for updating taxpayer records.
- Another file is created that segregates tax payments into tax classes and accumulates totals by tax classification. This file is sent electronically to the Treasury for use in making daily investment and monetary policy decisions.

EFTPS ACH Debit also provides an automated interface with the TT&L program through TIP. For Retainer or Investor Financial Institutions (FIs) with TT&L capacity, TIP credits the FI's Reserve account and debits the Treasury. The FI's TT&L account is also credited with the investment funds.

TAX PAYMENT INSTRUCTIONS: EFTPS ACH CREDIT

For EFTPS ACH Credit...



- At least 1 banking day prior to the tax due date, the taxpayer initiates the ACH Credit tax payment through their financial institution. This payment instruction must be made before the FI's deadline.
- The financial institution is responsible for originating the ACH Credit tax payment on behalf of their customer. This transaction must be in the CCD+ TXP format, and must be delivered to the FRB no later than 2:15 a.m. ET (although 11:00 p.m. ET is preferred).

The financial institution must originate this transaction at least one banking day prior to tax due date.

- Once the FedACH™ receives these tax transactions from the various financial institutions, it consolidates the tax transactions into an ACH Credit transaction information file that is transmitted to EFTPS for processing on the morning of the settlement date.

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- At 8:30 a.m. ET on the settlement date, the FedACH™ credits Treasury's General Account for the total of the ACH credits directed to Treasury's RTN, and debits the financial institutions originating the transactions.
- EFTPS processes the file, validating and editing transactions to make sure they are formatted correctly, and they contain the tax payment information needed by IRS (TIN, payment amount, tax type, and tax period ending date). If the information is incorrect or missing, the payment may be returned or not posted to the correct account.
- As with EFTPS ACH Debit process, EFTPS delivers a file to IRS for updating taxpayer records, and a file to Treasury for use in making investment and monetary policy decisions.

EFTPS ACH Credit also provides an automated interface with the TT&L program through TIP. For Retainer or Investor FIs with TT&L capacity, TIP credits the FI's Reserve account and debits the Treasury. The FI's TT&L account is also credited with the investment funds.

NOTE: Please refer to the "ACH Settlement Day Finality Guide" for detailed information on ACH Finality. The ACH Finality Guide is online at www.frb services.org/Retail/pdf/ACHfinality-guide.pdf

TAX PAYMENT INSTRUCTIONS: SAME-DAY PAYMENT

Same-Day Payment Instructions

Business taxpayers can also use the Same-Day Payment mechanism as a back-up or when the amount of tax liability is not known until the tax due date. Through the Federal Reserve Electronic Tax Application (FR-ETA), EFTPS supports two Same-Day Payment funds transfer formats:

- Value Fedwire® (Typecode 1000)
- Non-Value Fedwire® (Typecode 1090)

The financial institution's decision as to which alternative to use can be influenced by various factors:

- The financial institution is debited immediately for a Value Fedwire®. Any appropriate TT&L offsetting credit is posted (*on the half-hour*) after the transaction is passed to TIP hourly.
- Non-Value Fedwire® transactions are passed to TIP for appropriate accounting entries to the financial institution's Reserve and TT&L accounts.
- The financial institution's internal accounting with customer accounts.

REMEMBER

The financial institution chooses which Same-Day Payment alternative is used. The taxpayer is not aware of the financial institution's choice.

NOTE

For FIs that use FedLine to create Fedwires, there is a pre-formatted Federal Tax Payment Screen.

Fedwire Tax Deposit: Field Names and Contents

Field Name	Typecode 1000	Typecode 1090
{1510} Typecode	1000	1090
{2000} Amount	<i>Total deposit amount.</i> The amount must be numeric, greater than \$0.00 and less than \$1 billion. The dollar sign, commas, and decimal point are not required. EXAMPLE: 1,000,000.00*	
{3100} Sender ABA and Name	<i>Originating ABA and Short Name</i>	
{3320} Reference Number	<i>Assigned by the originating depository institution</i>	
{3400} Receiver ABA Number and Name	091036164 FRB MPLS ETA (For Bulk Providers: 091036177 FRBM/Bank of America)	
{3600} Business Function Code	CTR	IRS
{4100} Beneficiary FI	20092900 IRS <i>Contact Name and Telephone Number</i> EXAMPLE: Contact-Jane Smith (404) 555-1212	
{4200} Beneficiary	9 <i>Taxpayer ID Number:Name Control:Taxpayer Name:Tax Type:Tax Year:Tax Month:</i>	
{6000} Originator to Beneficiary Information (optional)	Breakdown of tax payment. Sum must equal total amount in {2000} Amount field, above.	

Variable elements are italicized. Non-variable elements are in bold typeface.

* Users of Computer Interface (CI) should consult with their software vendors on the use of commas and decimal points.



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Fedwire® – Federal Reserve communications network including the Funds Transfer Application

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FR-ETA – Federal Reserve Electronic Tax Application

FRB – Federal Reserve Bank

IRS – Internal Revenue Service

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NCSA – National Customer Service Area, the centralized TT&L help desk

PATAX – system to handle paper tax payments

Retainer Financial Institution – TT&L funds are available to financial institution

RTN – a unique bank identifier; Routing Transit Number

TIP – Treasury Investment Program

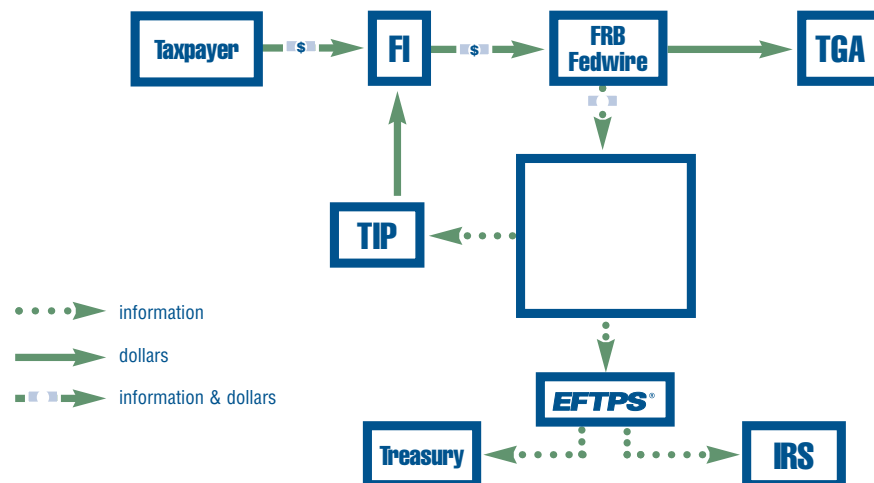
TT&L – Treasury Tax & Loan

TGA – Treasury's General Account

The Fedwire® **value messages** settle immediately in Funds. The financial institution is debited and the Treasury is credited via the Federal Reserve. This option will then interface with the TIP system for Retainer and Investor Institutions. TIP will offset the transactions by debiting the Treasury and crediting the financial institution's TIP main account. These offset transactions will begin at 9:30 a.m. ET and occur hourly thereafter on the half-hour for Retainer/Investor FIs with capacity.

The Fedwire® **non-value message** does not settle in Funds. This option completely interfaces with the TIP system. Transactions will be passed to TIP hourly. For Retainer and Investor institutions with capacity, the transaction will post to the TIP main account hourly, on the half-hour. Reserve/clearing accounts will be debited hourly, on the half-hour, for Collector and Investor/Retainer institutions without capacity. Transactions related to non-value messages will post at the end of the day for daylight overdraft purposes.

Same-Day Payment via Value Fedwire®



- On the tax payment due date, the taxpayer reports tax payment information to the financial institution and requests the financial institution to pay the Treasury for taxes due. The wire request is provided to the financial institution prior to the financial institution's established cutoff time.
- The financial institution initiates the tax payment transaction on behalf of its customer.
- The financial institution creates a Fedwire® value message on behalf of its customer using a Typecode 1000. Taxpayer tax detail is provided in designated fields in a prescribed sequence (Refer to "Making Same Day EFTPS Federal Tax Payments Financial Institution Guidelines" which can be found online at: www.frb.services.org/Treasury/pdf/Sameday.pdf). The Fedwire® value message settles its funds immediately upon receipt. The financial institution is debited and the Treasury is credited.

- All Fedwire® value tax messages must be received by 5:00 p.m. ET. Wires received after this time are rejected and not accepted by FR-ETA.

NOTE: *Messages received after the cutoff are rejected and may result in IRS assessing a penalty to the taxpayer or financial institution for a late payment.*

- Financial institutions will need to establish an earlier cutoff time for customers to ensure that tax messages are sent prior to the 5:00 p.m. ET deadline. Cutoff times should allow for the possible return, perfection, and retransmission of messages.
- Fedwire® passes the transaction information to the FR-ETA. The taxpayer detail information is extracted from the Fedwire value message and validated by FR-ETA in accordance with Treasury requirements.
- Tax payments containing invalid data may be returned to the originator via a Typecode 1002 funds transfer. The FI is credited with the Funds, and the Treasury is debited. If this happens, financial institutions should contact their customers to correct the transaction information and re-send the wire prior to the cutoff time.
- Financial institutions may request a reversal of a transaction up to 5 business days following the day of the original transaction. A reversal request is made via a Typecode 1001 (*same day*) or Typecode 1007 (*subsequent day*) service message. A reversed transaction is returned to the sending financial institution via a Typecode 1002 (*same day*) or Typecode 1008 (*subsequent day*) funds transfer. A reversal request must contain adequate information to identify the original transaction, appropriate reasons for the request, and a contact name and phone number. To request a reversal after 5 business days, either the financial institution or the taxpayer must contact the IRS, depending on the reason for requesting the reversal.
- FR-ETA prepares an electronic advice for the total amount of electronic tax transactions reported by each financial institution. This information is reported electronically to TIP on an hourly basis (*see TIP processing, page 20*).
- FR-ETA interfaces with EFTPS to provide tax payment detail electronically to IRS on the tax payment due date.

REMEMBER

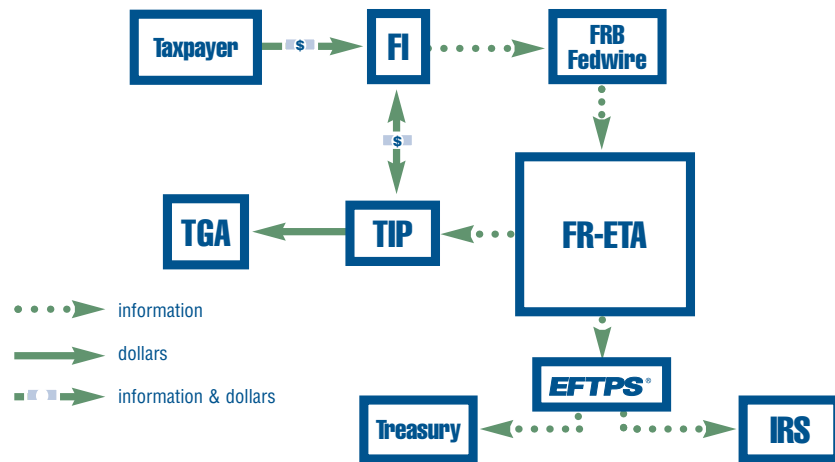
Cutoff times should allow for the possible return, perfection, and retransmission of messages. Messages received after the 5 p.m. ET cutoff are rejected and may result in IRS assessing a penalty to the taxpayer or financial institution for late payment.

REMEMBER

A reversal request must contain adequate information to identify the original transaction, appropriate reasons for the request, and a contact name and phone number.

To request a reversal after 5 business days, the taxpayer or financial institution must contact the IRS.

Same-Day Payment via Non-Value Fedwire®



- On the tax payment due date, the taxpayer reports tax liability information to the financial institution and requests the financial institution to pay the Treasury for taxes due. The wire request is provided to the financial institution prior to the financial institution's established cutoff time.
- The financial institution creates a Fedwire® non-value message on behalf of its customer using a Typecode 1090 with an IRS Business Function Code.
- All Fedwire® non-value messages must be received by 5:00 p.m. ET. Messages received after this time are rejected and not accepted by FR-ETA.

NOTE: Messages received after the cutoff are rejected and may result in IRS assessing a penalty to the taxpayer or financial institution for late payment.

- Financial institutions will need to establish an earlier cutoff time for customers to ensure that tax messages are sent to the FRB prior to the 5:00 p.m. ET deadline. Cutoff times should allow for the possible return, perfection, and retransmission of messages.
- Fedwire® passes the transaction information to the FR-ETA. The taxpayers' detailed information is extracted from the Fedwire® non-value message and validated by FR-ETA in accordance with Treasury requirements.
- Messages containing invalid data may be returned to the originator, via a Typecode 1090 service message with an SVC Business Function Code. When a Typecode 1090 is rejected, the transaction is not passed to TIP for settlement—no funds are moved. If this happens, financial institutions should contact their customers to correct the information and re-send the message prior to the cutoff time.

- Financial institutions may request reversal of a transaction up to 5 business days following the date of the original transaction. A reversal request is made via a Typecode 1001 (*same-day*) or Typecode 1007 (*subsequent day*) service message. A reversed transaction is reported to the sending financial institution via a Typecode 1090 service message with an SVC Business Function Code. FR-ETA sends the information to TIP. A reversal request must contain adequate information to identify the original transaction, appropriate reasons for the request, and a contact name and phone number. To request a reversal after 5 business days, either the financial institution or the taxpayer must contact the IRS, depending on the reason to request the reversal.
- FR-ETA prepares an electronic advice for the total amount of electronic tax transactions reported by each financial institution. This information is reported electronically to TIP on an hourly basis (*see TIP processing, page 20*).
- TIP processes the transactions according to the financial institution's TT&L classification as follows:
 - **Retainer and Investor financial institutions:** amounts are posted to the TIP main account balance. No accounting entry is created unless otherwise dictated by normal TIP processing.
 - **Collector financial institutions:** TIP creates an accounting entry debiting the financial institution's reserve/clearing or designated TT&L correspondent account and crediting the Treasury hourly, on the half-hour. These transactions post at the end of the day for daylight overdraft reporting purposes.
- FR-ETA interfaces with EFTPS to provide tax payment detail electronically to IRS on the tax payment due date.

(Additional information on the TT&L interface is on pages 19-20.)



COLLECTOR FINANCIAL INSTITUTION

accepts electronic and/or paper tax deposits; retains paper tax deposits overnight; remits electronic deposits.

RETAINER FINANCIAL INSTITUTION

retains a portion of electronic and/or paper tax deposits in its Main TT&L account (depending on capacity) at the FRB.

INVESTOR FINANCIAL INSTITUTION

retains a portion of electronic and/or paper tax deposits in its Main TT&L account (depending on capacity) at the FRB; also accepts additional funds from the Treasury.

**Questions about EFTPS
can be directed to the
FMS or EFTPS Customer
Service. (See page 37 for
phone numbers & hours.)**

CUSTOMER ASSISTANCE

You and your customers may also interface with EFTPS for customer assistance. Any questions you or your customers have can be answered by one of several customer service areas:

1. The Financial Institution Helpline handles calls from financial institutions regarding the EFTPS process.

1-800-605-9876

Available 24 hours a day, 7 days a week.

2. Taxpayer Customer Service handles calls from taxpayers that are enrolling in and making tax payments through EFTPS.

English Speaking:

Business: 1-800-555-4477 (24/7)

Individual: 1-800-316-6541 (24/7)

en español:

1-800-244-4829 (24/7)

TDD (*Hearing Impaired*):

1-800-733-4829 (8 a.m. - 8 p.m. Monday - Friday ET)

Service lines are staffed by highly trained professionals who are well-versed in the specific information needs of both taxpayers and financial institutions.

Taxpayers requesting assistance from Customer Service must have their TIN and PIN available when calling. These two pieces of information are required so that EFTPS can verify their identity and eliminate the possibility of unauthorized disclosure. Taxpayers may also need the Confirmation/Update Form (9787/9789) or the enrollment trace number found in the taxpayer's PIN letter.

3. The FR-ETA Customer Service Unit handles calls from financial institutions regarding the same-day payment mechanisms.

1-800-382-0045 (8:45 a.m. - 5:30 p.m. Monday - Friday ET)

4. The National Customer Service Area handles calls from financial institutions regarding TT&L.

1-888-568-7343 (8 a.m. - 7 p.m. Monday - Friday ET)

5. Financial Institutions with questions on ACH, Fedwire®, or Notification of Change (NOC) can contact the Federal Reserve's Customer Service Call Centers:

1-800-333-2690

or

1-888-333-7010

(7:30 a.m. - 9 p.m. Monday - Friday ET)

(7:30 a.m. - 9 p.m. Monday - Friday ET)

For the following districts: Boston, New York, Philadelphia, Atlanta, Chicago, and Kansas City.

For the following districts: Cleveland, Richmond, Saint Louis, Minneapolis, Dallas, and San Francisco.

HOW DOES EFTPS AFFECT YOUR INSTITUTION?



TT&L Interface—

One of the biggest impacts EFTPS may have on your organization is the integration with the Treasury Tax and Loan (TT&L) program. The TT&L investment program has been a popular and cost effective way for financial institutions to obtain investment funds at a favorable interest rate.

Treasury Investment Program—TIP

Financial institutions participating in the TT&L program have the opportunity to use TIP, which offers many benefits:

- **Qualified financial institutions may receive excess Treasury funds throughout the day, providing the institution has the capacity.**
- **Tax payments settled by TIP are processed to an institution's accounts throughout the day rather than at the end of the day.**
- **Electronic delivery of statements.**

For Retainer and Investor Financial Institutions

To support TIP, ACH tax payments collected through EFTPS are invested back into the main account balance of those institutions participating as Retainer and Investor depositories with capacity.

Both the ACH Debits and Credits result in a debit to the financial institution's reserve/clearing or designated ACH correspondent account and a credit to the Treasury for the amount of taxes due.

Each business day, EFTPS provides TIP a summary file of ACH tax activity by financial institution. TIP processes this information. If the financial institution is a Retainer or Investor institution with capacity, the TIP system credits the financial institution's reserve/clearing or designated TT&L correspondent account for the amount of taxes collected and increases the financial institution's TIP main account. These amounts remain in the TT&L account until the balance exceeds the capacity or until withdrawn through a Treasury-initiated withdrawal. These withdrawals are charged to the financial institution's reserve/clearing or designated TT&L correspondent account.

COLLECTOR FINANCIAL INSTITUTION

accepts electronic and/or paper tax deposits; retains paper tax deposits overnight; remits electronic deposits.

RETAINER FINANCIAL INSTITUTION

retains a portion of electronic and/or paper tax deposits in its Main TT&L account (depending on capacity) at the FRB.

INVESTOR FINANCIAL INSTITUTION

retains a portion of electronic and/or paper tax deposits in its Main TT&L account (depending on capacity) at the FRB; also accepts additional funds from the Treasury.



ACH – Automated Clearing House

CCD+TXP – formatted addenda record layout

Collector Financial Institution – TT&L funds are withdrawn immediately by FRB

EFT Acknowledgement Number – 15-digit Electronic Funds Transfer number assigned to each tax deposit

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If a financial institution uses the services of different correspondent banks to settle TT&L and ACH transactions, the following is the impact on the ACH and TT&L correspondents' reserve accounts:

- All electronic federal tax payments made through ACH are debited to the ACH correspondent's reserve account.
- All tax investments resulting from ACH Debit or Credit origination are credited to the TT&L correspondent's reserve account.

The transactions are defined as ACH on the daily TIP main account activity statement to aid in reconciliation of the TT&L account. Interest is calculated on invested payments at the normal TT&L interest rate.

Fedwire® value message interfaces with the TIP system.

Fedwire® *value* tax payments settle immediately in funds, resulting in a debit to the financial institution's reserve/clearing account and a credit to the Treasury in the amount of the funds transfer. The information is then sent to TIP. TIP will increase the financial institution's TIP main account balance and debit the Treasury for Investor and Retainer institutions with capacity. These transactions occur hourly on the half-hour beginning at 9:30 a.m. ET. These amounts remain in the TIP main account until the balance exceeds capacity or until withdrawn through a Treasury-initiated withdrawal. These withdrawals are charged to the financial institution's reserve/clearing or designated TT&L correspondent account. These transactions appear as "ETAV I" on the statement to aid in reconciliation of the TIP main account.

Fedwire® non-value message interfaces with the TIP system.

Tax payments submitted through the Fedwire® *non-value* tax payment mechanism are processed through and posted to the TIP main account balance, as applicable. These amounts remain in the TIP main account until the balance exceeds the capacity or until withdrawn through a Treasury-initiated withdrawal. These withdrawals are charged to the financial institution's reserve/clearing or designated TT&L correspondent account.

Tax payments settled electronically require collateralization when the funds are deposited to the TIP main account.

Collector Financial Institutions

Financial institutions do not need to be designated as TT&L financial institutions to participate in EFTPS. Treasury regulations published in 1998 accommodate non-TT&L financial institution use of all EFTPS applications.

Electronic federal tax payments submitted through the EFTPS ACH Debit or EFTPS ACH Credit are treated the same as other ACH transactions - the financial institution is debited and the Treasury is credited.

For Collector Financial Institutions: Electronic federal tax payments submitted through the Fedwire® non-value tax payment mechanism are processed through TIP. Transactions are included in the withdrawal amount charged to the financial institution's reserve/clearing or designated TT&L correspondent account. Transactions occur hourly but are posted at the end of the day for daylight overdraft reporting purposes. The Treasury is credited for the tax amount.

Funds paid electronically through or by a Collector or a Non-TT&L financial institution do not require collateralization.

Financial Agent

The Treasury has one financial agent to manage EFTPS — Bank of America. Use the following RTN and account number to send ACH credits.

Routing Transit Number (RTN)	061036000
Account Number	23401009
Account Name	Treasury General Account

NOTE: *FR-ETA serves taxpayers and financial institutions nationwide that require a same-day pay alternative. For routing and transit information, see the Fedwire® Format on page 13.*

REMEMBER

Depository institutions do not need to be designated as TT&L depositories to participate in EFTPS. Treasury regulations published in 1998 accommodate non-TT&L financial institution use of all EFTPS applications.



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Taxpayer Liability

For **EFTPS ACH Debit**, the taxpayer is responsible for...

- Reporting the tax payment at least one calendar day prior to tax due date.
- Making sure they receive an EFT Acknowledgment Number from EFTPS and they have a record of it.
- Making sure they have sufficient funds in their account to cover the tax payment.

If these criteria are met, the taxpayer's liability is satisfied. Any subsequent delays that occur are not the taxpayer's responsibility.

For **EFTPS ACH Credit**, the taxpayer is responsible for...

- Ensuring their tax payments are delivered to EFTPS by tax due date. Any delays will result in a penalty being assessed to the taxpayer.
- EFTPS does not provide an EFT Acknowledgment Number for ACH credits because they are originated through the taxpayer's financial institution. Your customers may wish to receive some sort of proof of payment from you that their ACH Credit was originated.

However, taxpayers can access EFTPS Customer Service on the settlement date to verify the payment was received. Once EFTPS receives and processes an ACH Credit tax payment, it assigns a unique identification number called an EFT Acknowledgment Number. A taxpayer originating an ACH Credit tax payment can obtain the EFT Acknowledgment Number when calling to verify the payment was received.

For **Same-Day Payment**, the taxpayer is responsible for...

- Requesting the financial institution to make the payment prior to the financial institution's cutoff time.
- Ensuring sufficient funds are in the appropriate account to cover the tax payment.

FR-ETA does not automatically provide the EFT Acknowledgement Number to the financial institution unless requested. The taxpayer can also get this information from EFTPS after the transaction is completed.

Financial Institution Liability

The financial institution assumes limited liability with ACH Debit. If your customer does not have sufficient funds in their account, you can always return the item. Your main liability would be if you failed to return the item. Your existing ACH agreements may not need to be changed to accommodate additional liability with EFTPS.

For ACH Credit, the situation is somewhat different. If the taxpayer can prove that the ACH Credit instructions were delivered to you by the appropriate deadlines and you failed to originate the ACH Credit, IRS may abate the taxpayer's penalty. Treasury may also make a value-of-funds adjustment on the financial institution due to the delays. For ACH Credit tax payments, you may want to review your ACH agreements to make sure you have provisions and clauses regarding penalties—penalties to you and to your customers.

NOTE:

For Same-Day Payments, please refer to the Federal Reserve Operating Circulars No. 6, "Funds Transfers Through Fedwire," and No. 9, "Federal Tax Payments and Treasury Tax & Loan Depositories."

REMEMBER

Whether or not you offer ACH software (PC-based origination or electronic payment), you may need to modify your programs to incorporate the CCD+ TXP format.

IMPLEMENTATION**For EFTPS ACH Debit...****1. Verify enrollment information and pre-notes received.**

During the enrollment process, **EFTPS ACH Debit** taxpayers may ask you to verify the RTN and bank account information on their enrollment form before it is submitted to EFTPS. You will subsequently receive an ACH Debit pre-note to again verify that information. If there are any corrections to be made, you must send a Notification of Change to EFTPS.

2. Consider debit blocking or debit filtering for your ACH products.

If you offer ACH origination products, you may wish to add a debit blocking or filtering module to your system. This capability can help reassure customers that only authorized activity will occur on their account.

NOTE: *Financial institutions that offer debit-blocking services to their corporate account holders should ensure that their systems permit debit reversal entries to post.*

For EFTPS ACH Credit...**1. Integrate NACHA CCD+ TXP format into your systems.**

Whether you offer PC-based origination software or an electronic tax payment service, or you do not offer either of those, you may need to modify your programs to incorporate the CCD+ TXP format. *(See pages 26-29 for further details.)*

2. Initiate a zero-dollar transaction with formatted TXP addenda record.

During the enrollment process, you will be required to initiate a Zero Dollar transaction with the formatted TXP addenda record to verify the taxpayer information required by EFTPS. *(See pages 26-29 for addenda record.)*

3. If you offer PC-based origination software or an electronic tax payment service...

- Modify those programs to include possible transactions to the EFTPS account numbers
- Make sure your systems deliver payments to EFTPS, not IRS, on tax due date
- Make sure customers still enroll in EFTPS, even if they participate in your electronic tax payment service
- Determine if your customers want to receive an acknowledgment from you to prove their ACH Credit was originated.

For Same-Day Payment...

Modify wire transfer software.

For Non-Value Fedwire®, your wire transfer software may need to be modified to process a Typecode 1090 administrative message, IRS Business Function Code, with dollars attached, enabling you to transfer funds out of your customer's account without transferring funds from your Fed account.

If you offer PC-based wire transfer services to your customers, these applications may require change to support the correct formatting of the tax payment information.

For more extensive information you may access “Making EFTPS Same-Day Federal Tax Payments in EFTPS” online at: www.frb services.org/Treasury/pdf/Sameday.pdf

EFTPS Deadlines

	EFTPS ACH Debit	EFTPS ACH Credit	Fedwire® Typecode 1000	Fedwire® Typecode 1090
EFTPS Deadline	1:30 a.m. ET (tax due date)	NA	NA	NA
FRB ACH to Financial Institution Deadline	6:00 a.m. ET (tax due date)	NA	NA	NA

* ACH summary information is passed to TIP early in the morning; the offsets post at these times.



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REFERENCES

CCD+ TXP Addenda Record Format

The following is an explanation of the ACH Credit record layout as it pertains to EFTPS. Any fields not specifically identified below should be formatted according to NACHA Operating Rules (*NACHA Operating Rules are available from NACHA or your local ACH association*).

ACH File Header Record

Field	Position	Data Element Description	Length	ACH and EFTPS Content
	01-01	Record Type Code	1	"1"
2	02-03	Priority Code	2	"01"
	04-13	Immediate Destination	10	bTTTTAAAC
4	14-23	Immediate Origin	10	bTTTTAAAC
	24-29	File Creation Date	6	"YYMMDD"
6	30-33	File Creation Time	4	"HHMM"
	34-34	File ID Modifier	1	Upper Case A-Z, Numeric 0-9
8	35-37	Record Size	3	"094"
	38-39	Blocking Factor	2	"10"
10	40-40	Format Code	1	"1"
	41-63	Immediate Destination Name	23	Alphanumeric
12	64-86	Immediate Origin Name	23	Alphanumeric
	87-94	Reference Code	8	Alphanumeric

The record layout should be formatted according to NACHA Operating Rules and your financial institution's requirements.

ACH Batch Header Records for All Entries

Field	Position	Data Element Description	Length	ACH Content	EFTPS Content / Definition
	01-01	Record Type Code	1	"5"	"5"
2	02-04	Service Class Code	3	Numeric	Numeric
	05-20	Company Name	16	Alphanumeric	Alphanumeric / Originator (Taxpayer's Name)
4	21-40	Company Discretionary Data	20	Alphanumeric	Alphanumeric
	41-50	Company Identification	10	Alphanumeric	Alphanumeric / Originator (Taxpayer's ID#)
6	51-53	Standard Entry Class	3	Alphanumeric	"CCD"
	54-63	Company Entry Description	10	Alphanumeric	Tax Payment
8	64-69	Company Descriptive Date	6	Alphanumeric	Alphanumeric Data
	70-75	Effective Entry Date	6	YYMMDD	Tax Due Date / The date the taxes are due. Displayed as YYMMDD.
10	76-78	Settlement Date (Julian)	3	Numeric	Numeric (Inserted by ACH Operator)
11	79-79	Originator Status Code	1	Alphanumeric	"1"
12	80-87	Originating DFI Identification	8	TTTTAAAA	RTN of Originating Financial Institution
13	88-94	Batch Number	7	Numeric	Uniquely Assigned

Field 2 Content
 Service Class Code: 200=ACH Entries Mixed Debits and Credits
 220=ACH Credit Entries Only
 225=ACH Debit Entries Only

Format remaining fields according to NACHA Operating Rules and your financial institution's requirements.

ACH Entry Detail Record for CCD+

Field	Position	Data Element Description	Length	ACH Content	EFTPS Content / Definition
1	01–01	Record Type Code	1	"6"	"6"
2	02–03	Transaction Code	2	Numeric	22, 32 Automated Deposit (Credit) 23, 33 Prenote (Credit) 24, 34 Zero Dollar (Credit)
3	04–11	Receiving DFI Identification	8	TTTTAAAA	IRS Routing / Transit Number. (First 8 positions) See page 29
4	12–12	Check Digit	1	Numeric	IRS Routing / Transit Number. (Last position) See page 29
5	13–29	DFI Account Number	17	Alphameric	IRS Account Number. See page 23
6	30–39	Amount	10	\$\$\$\$\$\$\$¢¢	\$\$\$\$\$\$\$¢¢ / Tax Payment Amount
7	40–54	Identification Number	15	Alphameric	EIN / The taxpayer's 9-digit Employer Identification Number (EIN)
8	55–76	Receiving Company Name	22	Alphameric	IRS
9	77–78	Discretionary Data	2	Alphameric	Optional
10	79–79	Addenda Record Indicator	1	Numeric	" 1 " / TXP addenda must follow the detail record
11	80–94	Trace Number	15	Numeric	Uniquely Assigned

CCD+ Addenda Record

Field	Data Element Name	Field Inclusion Requirement	Contents	Length	Position
1	Record Type Code	M	"7"	1	01-01
2	Addenda Type Code	M	"05"	2	02-03
3	Payment Related Information	M	Alphameric	80	04-83
4	Addenda Sequence Number	M	Numeric	4	84-87
5	Entry Detail Sequence Number	M	Numeric	7	88-94

REMEMBER

*You must use the
CCD+ TXP format to
initiate correct ACH
Credit transactions.*

ACH TXP Addenda Record

M=Mandatory C=Conditional O=Optional

Note: Taxpayers must use the tax period ending date for the type of tax being paid...not the date of the tax payment.

TXP #	Field	Data Element Description **ACH Addenda Record**	Field Inclusion	Length	EFTPS Content / Definition
---	3	Segment Identifier	M	3	"TXP"
---	3	Separator	M	1	" * "
TXP01	3	Taxpayer Identification Number	M	9	9-Digit EIN / This is the taxpayer's Employer Identification Number. It must be 9 digits.
---	3	Separator	M	1	" * "
TXP02 ¹	3	Tax Payment Type Code	M	1/5	Numeric--(See Pages 30-31)--IRS Tax Form Numbers Table
---	3	Separator	M	1	" * "
TXP03	3	Tax Period End Date	M	6	YYMMDD / This is the tax period ending date for the IRS Return for which the liability is being paid in YYMMDD format (provided by taxpayer). It is not the payment date. Taxpayer will supply only YYMM. Because ACH requires YYMMDD, always use "01" for day of month.
---	3	Separator	M	1	" * "
TXP04 ²	3	Amount Type (Tax Information ID Number)	M	1/5	Subcategory or IRS Number. If none, repeat tax form from TXP02. Used for tax breakdown by subcategory (for 941 or CT-1) or IRS Number (for 720 or 720M). For all other tax forms, repeat tax form number from TXP02.
---	3	Separator	M	1	" * "
TXP05 ³	3	Tax Amount	M	1/10	\$\$\$\$\$\$\$. If there are no subcategory or IRS Number amounts, this is the same amount as in field "6" of the ACH Entry Detail Record (6 record). If subcategories are reported, then the amount fields TXP05, TXP07, and TXP09 must balance to the tax payment amount in field "6" of the ACH Entry Detail Record.
---	3	Separator	O	1	" * "
TXP06 ²	3	Amount Type (Tax Information ID Number)	O	1/3	Subcategory or IRS Number, if applicable / otherwise do not include
---	3	Separator	O	1	" * "
TXP07 ³	3	Tax Amount	C	1/10	\$\$\$\$\$\$\$. If applicable / otherwise do not include
---	3	Separator	O	1	" * "
TXP08 ²	3	Amount Type (Tax Information ID Number)	O	1/3	Subcategory or IRS Number, if applicable / otherwise do not include
---	3	Separator	O	1	" * "
TXP09 ³	3	Tax Amount	C	1/10	\$\$\$\$\$\$\$. If applicable / otherwise do not include
---	3	Separator	O	1	" * "
TXP10	3	Taxpayer Verification			Not Used
---	3	Terminator	M	1	" \ "

1 TXP02 Refer to the IRS Tax Form Numbers on pages 30-31.

2 TXP04, 06, 08 Tax information ID numbers are for filing Tax Form 720, 720M, 941 and CT-1. Enter the exact one -, two -, or three - digit code with no leading or trailing spaces.

3 TXP05, 07, 09 If amounts are entered in these fields, they must total the sum in field 6 of the detail entry record.

NOTE: • TXP01, TXP02, TXP03, TXP04 and TXP05 are required fields. If there are no subcategories to report, the tax type is repeated in TXP04 and the total dollar amount from the "6" Record is repeated in TXP05.

• The addenda record requires 80 characters in field 3. Data in field 3 should be left-justified and end with the terminator "\". Spaces after the "\" up to field 4 are blank filled.

• Since you cannot have more than 3 subcategories per CCD addenda record, a new record must be created if there are more than 3 subcategories to report.

• The amount in field "6" of the 6 Record must equal the sum of the amounts in the TXP segments for all tax types that report subcategories.

• The illustrations above relate to the specific applications outlined and are not intended to depict situations which will always be appropriate.

ACH Batch Control Record

Field	Position	Data Element Description	Length	Content
	01-01	Record Type Code	1	"8"
2	02-04	Service Class Code	3	Numeric
	05-10	Entry/Addenda Count	6	Numeric
4	11-20	Entry Hash	10	Numeric
	21-32	Total Debit Entry Dollar Amount	12	\$\$\$\$\$\$\$\$\$¢¢
6	33-44	Total Credit Entry Dollar Amount	12	\$\$\$\$\$\$\$\$\$¢¢
	45-54	Company Identification	10	Alphanumeric
8	55-73	Message Authentication Code	19	Alphanumeric
	74-79	Reserved	6	Blanks
10	80-87	Originating DFI Identification	8	TTTTAAAA
	88-94	Batch Number	7	Numeric

ACH File Control Record

Field	Position	Data Element Description	Length	Content
	01-01	Record Type Code	1	"9"
2	02-07	Batch Count	6	Numeric
	08-13	Block Count	6	Numeric
4	14-21	Entry/Addenda Count	8	Numeric
	22-31	Entry Hash	10	Numeric
6	32-43	Total Debit Entry Dollar Amount in File	12	\$\$\$\$\$\$\$\$\$¢¢
	44-55	Total Credit Entry Dollar Amount in File	12	\$\$\$\$\$\$\$\$\$¢¢
8	56-94	Reserved	39	Blanks

These record layouts should be formatted according to NACHA Operating Rules and your financial institution requirements.

Routing and Account Numbers

The EFTPS Receiving Routing Transit Number and Account Number is:

Routing Transit Number (RTN)	061036000
Account Number	23401009
Account Name	Treasury General Account

Questions about EFTPS can be directed to the FMS or EFTPS Customer Service. (See page 37 for phone numbers and hours.)

Valid IRS Tax Types and Subcategories in EFTPS *(see Legend for Tax Type Suffixes on page 32)*

IRS Tax Form Number	Tax Description	Tax Type Prefix (First 4 digits)	Valid Suffixes (Last digit of tax type) (see Legend on page 32)	Valid Tax Period Ending Dates
11-C	Special Tax Return and Application for Registry-Wagering	0111	3, 4, 7, 8, 9, B	01-12
706GS(D)	Generation-Skipping Transfer Tax for Distribution	7062	3, 4, 7, 8, 9, B	12
706GS(T)	Generation-Skipping Transfer Tax for Terminations	7063	3, 4, 7, 8, 9, B	12
709	Gift Tax Return	0709	6, 7	01-12
720	Quarterly Excise Tax (see subcategory listing on page 32)	7200	3, 4, 5, 7, 8, 9, B	03, 06, 09, 12
730	Tax on Wagering	0730	3, 4, 7, 8, 9, B	01-12
926	Return by Transferor of Property to Foreign Corporation, Estate, Trust or Partnership	0926	3, 4, 7, 8, 9, B	12
940	Employer's Annual Unemployment Tax Return Federal Tax Deposit	0940	3, 4, 5, 7, 8, 9, B	12
941	Employer's Quarterly Tax Return (all Form 941 series) Federal Tax Deposit (see subcategory listing on page 32)	9410	0, 3, 4, 5, 7, 8, 9, B	03, 06, 09, 12
943	Employer's Annual Tax for Agricultural Employees Federal Tax Deposit	0943	3, 4, 5, 7, 8, 9, B	12
945	Withheld Federal Income Tax Federal Tax Deposit	0945	0, 3, 4, 5, 7, 8, 9, B	12
990	Organization Exempt Income Tax	0990	3, 4, 7, 8, 9, B	01-12
990BL	Information and Initial Excise Tax Return for Black Lung Benefit Trust and Certain Related Persons	9901	3, 4, 7, 8, 9, B	01-12
990C	Exempt Cooperative Association Income Tax Return	9902	2, 3, 4, 6, 7, 8, 9, B	01-12
990PF	Return of Private Foundation Tax Federal Tax Deposit	9903	3, 4, 6, 7, 8, 9, B	01-12
990T	Exempt Organization Business Income Tax Return	9904	2, 3, 4, 6, 7, 8, 9, B	01-12
1041	Fiduciary Income Tax Return	1041	2, 3, 4, 6, 7, 8, 9, B	01-12
1041A	US Information Return – Trust Accumulation of Charitable Amounts	1411	3, 4, 7, 8, 9, B	01-12
1042	Annual Withholding Tax Return for US Source Income of Foreign Persons	1042	3, 4, 5, 7, 8, 9, B	12
1065	Partnership Return of Income	1065	2, 3, 4, 6, 7, 8, 9, B	01-12
1066	Real Estate Mortgage Investment Conduit Income Tax	1066	3, 4, 7, 8, 9, B	01-12
1120	US Corporation Income Tax Federal Tax Deposit	1120	0, 2, 3, 4, 6, 7, 8, 9, B	01-12
1120DISC	Domestic International Sales Corporation Return	1121	3, 4, 7, 8, 9, B	01-12
2290	Heavy Vehicle Use Tax Return	2290	3, 4, 7, 8, 9, B	01-12
2438	Regulated Investment Company - Undistributed Capital Gains	2438	3, 4, 7, 8, 9, B	12
4720	Return of Certain Excise Taxes on Charities and Other Persons Under Chapter 41 & 42 of the IRC	4720	3, 4, 7, 8, 9, B	01-12
5227	Split-Interest Trust Information Return	5227	3, 4, 7, 8, 9, B	01-12
5329	Return for Individual Retirement Arrangement Taxes	5329	7	01-12
5811	Examination Return Preparer Case Closing Document	5811	3, 4, 7, 8, 9, B	01-12
6069	Return of Excess Tax on Excessive Contributions to Black Lung Trust	6069	3, 4, 7, 8, 9, B	12
8038	Information Return for Tax Exempt Private Activity Bond Issue	8038	3, 4, 7, 8, 9, B	01-12
8288	U.S. Withholding Tax Return for Disposition by Foreign Persons of U.S. Real Property Interests	8288	7	01-12
8404	Interest Charge on DISC-Related Deferred Tax Liability	8404	3, 4, 7, 8, 9, B	01-12
8489	Civil Penalty	8489	4, 7	01-12
8612	Return of Excise Tax on Undistributed Income of Real Estate Investment Trust	8612	3, 4, 7, 8, 9, B	01-12
8613	Return of Excise Tax on Undistributed Income of Regulated Investment Companies	8613	3, 4, 7, 8, 9, B	01-12
8697	Interest Under the Look-Back Method for Completed Long-Term Contracts	8697	3, 4, 7, 8, 9, B	01-12
8725	Excise Tax on Greenmail	8725	3, 4, 7, 8, 9, B	01-12
8752	Required Payment or Refund Under Section 7519	8752	3, 4, 7, 8, 9, B	12
8804	Annual Return Partnership Withholding Tax (Section 1446)	8804	3, 4, 7, 8, 9, B	01-12
8805	Foreign Partners Information Statement of Section 1446 Withholding Tax	8804	3, 4, 7, 8, 9, B	01-12
8813	Partnership Withholding Tax Payment	8804	3, 4, 7, 8, 9, B	01-12
8831	Excise Taxes on Excess Inclusions of REMC Residual Interest	8612	3, 4, 7, 8, 9, B	01-12
CT-1	Railroad Retirement Tax and Unemployment Return (see subcategory listing on page 32)	1000	3, 4, 5, 7, 8, 9, B	12
CT-2	Employee Representatives Railroad Retirement	0002	2, 4, 7, 8, 9, B	03, 06, 09, 12

Valid IRS Tax Types and Subcategories – Filed With Various Tax Types *(see Legend for Tax Type Suffixes on page 32)*

IRS Tax Form Number	Tax Description	Tax Type Prefix (First 4 digits)	Valid Suffixes (Last digit of tax type) (see Legend on page 32)	Valid Tax Period Ending Dates
2210 For Form 1041	Underpayment of Estimated Tax by Fiduciaries Fiduciary Income Tax Return	1041	7	01-12*
2220 For Form 1120	Underpayment of Estimated Tax for Form 1120 US Corporation Income Tax	1120	7	01-12*
2758 For Form 706GS (D) For Form 706GS (T)	Application for Extension of Time Generation-Skipping Transfer Tax for Distribution Generation-Skipping Transfer Tax for Terminations	7062 7063	7 7	12 12
For Form 1041	Fiduciary Income Tax Return	1041	2	01-12*
For Form 1042	Annual Withholding Tax Return for US Source Income of Foreign Persons	1042	7	12
For Form 3520A	U.S. Information Return-Creation of or Transfer to Certain Foreign Trust (Includes Form 3520A)	3520	7	12
For Form 8612	Return of Excise Tax on Undistributed Income of Real Estate Investment Companies	8612	7	01-12
For Form 8613	Return of Excise Tax on Undistributed Income of Regulated Investment Companies	8613	7	01-12
For Form 8804	Annual Return of Partnership Withholding Tax (Section 1446)	8804	7	01-12
For Form 8725	Excise Tax on Greenmail	8725	7	01-12
For Form 8831	Excise Taxes on Excess Inclusions of REMIC Residual Interest	8612	7	01-12
7004 For Form 990C For Form 1120 (all)	Application to File Automatic Extension of Time to File Corporate Income Tax Return	9902 1120	2 2	01-12 01-12*
8736 For Form 1041 For Form 1065 For Form 1066	Application for Automatic Extension of Time to File US Return for a Partnership, REMIC, or for Certain Trusts	1041 1065 1066	2 2 7	01-12* 01-12* 01-12
8800 For Form 1041 For Form 1065 For Form 1066	Application for Additional Extension of Time to File US Return for a Partnership, Partnership, REMIC, or for Certain Trusts	1041 1065 1066	7 7 7	01-12 01-12 01-12
8868 For Form 990 For Form 990BL For Form 990PF For Form 990T For Form 1041A For Form 4720 For Form 5227 For Form 6069	Application for Extension of Time to File an Exempt Organization Return Organization Exempt Income Tax Information and Initial Excise Tax Return for Black Lung Benefit Trust and Certain Related Persons Return of Private Foundation Exempt Organization Income Tax Return US Information Return - Trust Accumulation of Charitable Amounts Return of Certain Excise Taxes on Charities and Other Persons Under Chapter 41 and 42 of the IRC Split-Interest Trust Information Return Return of Excise Tax on Excess Contribution to Black Lung Benefit Trust Under Sec. 4953	0990 9901 9903 9904 1411 4720 5227 6069	7 7 7 7 7 7 7 7	01-12* 01-12* 01-12* 01-12* 01-12 01-12 01-12 12

* The tax period month must match the company's fiscal year for these forms.

Legend for Tax Type Suffixes (Last digit of tax type)

Suffix	Type	Description
0	Amended	Tax payment made as a result of a balance due on an amended tax return.
2	Extension	Tax payment due on a request for extension of time to file.
3	Designated Payment of Fees of Collection Costs	Payment of user fees (for example, photocopies, installment agreements) or collections costs.
4	Advance Payment of Determined Deficiency	Payment made on an IRS examination or audit.
5	Deposit	Federal tax deposit.
6	Estimated	Tax payment made based on estimated liability.
7	Subsequent/With Return	Tax payment due on a return or IRS notice.
8	Designated Payment of Interest	Payment of an interest amount due.
9	Designated Payment of Penalty	Payment of a penalty amount due.
B	Cash Bond Payment	Payment made to stop interest on examination deficiency.

941 Employer's Quarterly Federal Tax Subcategories

- 1—Social Security Amount
- 2—Medicare Amount
- 3—Withholding Amount

CT-1 Railroad Retirement Tax and Unemployment Subcategories

- 1—FICA Amount
- 2—Industry Amount

NOTE: It is normal procedure for IRS subcategory codes to be added or deleted based on legislation. You may contact IRS for updates to this table.

Tax subcategory amounts must balance to the total tax amount, or only the tax amount will be reported.

720 Quarterly Federal Excise Tax IRS Subcategory Codes

The following chart is a reference list of various IRS Numbers.

Excise Tax IRS Number	Description	Excise Tax IRS Number	Description	Excise Tax IRS Number	Description	Excise Tax IRS Number	Description
14	Aviation, gasoline	35	Kerosene (effective July 1, 1998)	59	Gasohol containing at least 10% alcohol	74	Gasoline removed or entered for production of 5.7% gasahol
19	ODC tax on imported products	36	Coal-Underground mined @ \$1.10 per ton	60	Diesel fuel	75	7.7% gasahol
20	Ozone-depleting chemicals (floor stocks)	37	Coal-Underground mined @ 4.4% of sales price	61	Liquefied Petroleum Gas (LPG)	76	5.7% gasahol
22	Local telephone service, toll telephone service, and teletype writer exchange service	38	Coal-Surface mined @ \$.55 per ton	62	(a) Gasoline, tax on removal at terminal rack (b) Gasoline, tax on taxable events other than removal at terminal rack (c) Gasoline, tax on failure to blend or later separation	77	Aviation fuel for use in commercial aviation (other than foreign trade)
26	Transportation of person by air	39	Coal-Surface mined @ 4.4% of sales price	64	Inland waterways fuel use tax	78	Dyed diesel fuel for use in certain intercity buses
27	Use of international air travel facilities	40	Gas guzzler tax	65	Gasoline floor stock	79	Other Fuels
28	Transportation of property by air	41	Sport fishing equipment	66	Highway-type tires	92	Passenger vehicles
29	Transportation by water	42	Electric outboard motors and sonar devices	69	Aviation fuel	97	Vaccines
30	Life insurance, sickness and accident policies, and annuity contracts	44	Bows	71	Dyed diesel fuel for use in trains	101	Compressed natural gas (tax rate per thousand cubic feet)
31	Obligations not in registered form	51	Alcohol sold as but not used in fuel	73	Gasoline removed or entered for production of 7.7% gasahol	102	Arrow component
33	Truck, trailer, and semitrailer chassis and bodies, and tractors	58	Gasoline removed or entered for production of 10% gasahol				

Note: Contact IRS at 1-800-829-1040 if a particular number is not listed.

Same-Day Payment Worksheet

You may provide a copy of this worksheet to your customer to facilitate making a Same-Day Payment. This worksheet does not include all the information a financial institution must use (*such as which same-day payment mechanism, the appropriate Receiving ABA, etc.*).

To make an electronic same-day federal tax deposit, please advise the taxpayer to follow the steps listed below. Use the IRS Tax Form Numbers (*pages 30-32*) to complete steps 5 and 7. This worksheet is also in the EFTPS Payment Instruction Booklet that the taxpayer receives upon enrollment.

1. Enter total amount of Tax Deposit \$ _____.
2. Enter Taxpayer Identification Number (TIN) (9-digits) _____.
3. Enter Taxpayer Name Control (4 characters) _____.
The name control is frequently the first four significant characters of the taxpayer name.
4. Enter Taxpayer Name of business (up to 35 characters)
_____.
5. Enter Tax Type. (5-digits) (*see pages 30-32 for tax type codes and suffixes*) _____.
6. Enter the 2-digit code for the year of your tax liability.
For example, for 2005, enter 05. _____.
7. Enter the 2-digit code for the tax period ending month for which a deposit is being made. Use 0 for the first digit of a single month (*for example, 03 for March*). Use the Valid Tax Period Ending Dates column on the Valid IRS Tax Types on pages 30-31 to determine valid tax months for each tax type. _____.

Lines 8 – 11 are optional.

8. Enter Tax Amount \$ _____.
(*use commas and decimal point*)
9. Enter Interest Amount \$ _____.
(*use commas and decimal point*)
10. Enter Penalty Amount \$ _____.
(*use commas and decimal point*) **If provided, the total of Tax, Interest, and Penalty must equal the tax amount on line 1.**
11. Enter Tax Subcategories Information. See page 32 for subcategories. Use the valid subcategories for the tax type entered on line 5, above. Provide the subcategory and corresponding dollar amount. If provided, the total of all subcategories must equal the tax amount on line 1.

Your record of the transaction is:

1. The statement provided by your financial institution that shows the payment;
2. The EFT Acknowledgement Number, which the taxpayer may get by calling the FR-ETA Customer Unit on the day or from EFTPS the calendar day after the transaction was completed.



ACH – Automated Clearing House

CCD+TXP – formatted addenda record layout

Collector Financial Institution – TT&L funds are withdrawn immediately by FRB

EFT Acknowledgement Number – 15-digit Electronic Funds Transfer number assigned to each tax deposit

EFTPS – Electronic Federal Tax Payment System

EIN – Employer Identification Number

Fedwire® – Federal Reserve communications network including the Funds Transfer Application

Financial Agent – financial institution designated by FMS to operate EFTPS

FMS – Financial Management Service of the Treasury

FR-ETA – Federal Reserve Electronic Tax Application

FRB – Federal Reserve Bank

IRS – Internal Revenue Service

Name Control – Usually the first four significant characters of the taxpayer's name used in conjunction with the TIN to identify a taxpayer

NCSA – National Customer Service Area, the centralized TT&L help desk

PATAX – system to handle paper tax payments

Retainer Financial Institution – TT&L funds are available to financial institution

RTN – a unique bank identifier; Routing Transit Number

TIP – Treasury Investment Program

TT&L – Treasury Tax & Loan

TGA – Treasury's General Account

QUESTIONS & ANSWERS

Following are some of the more commonly asked questions about EFTPS, divided into sections focusing on different aspects of the system.

Required Taxpayers

Q Once a business taxpayer meets the \$200,000 threshold, must all federal tax deposits be paid electronically?

A Yes, once a taxpayer meets the \$200,000 threshold, all federal tax deposits must be paid electronically, beginning January 1 of the second succeeding year. For example: if a business pays \$200,000 or more in aggregate tax deposits in 2005, in January 2007 they must begin using EFTPS.

Q If a taxpayer's deposits drop below the \$200,000 amount, are federal tax deposits still required to be paid electronically?

A Yes, once a taxpayer meets the required threshold, the taxpayer may not revert to paper coupons.

Q If a taxpayer is not required at this time, can the taxpayer choose to make federal tax payments electronically?

A Yes, any business or individual taxpayer may volunteer to participate in EFTPS. Taxpayers must be properly enrolled prior to using the system.

Q Can a taxpayer continue to use Federal Tax Deposit coupons?

A A taxpayer may continue to use coupons if the taxpayer is not required to use EFTPS. For example, if a taxpayer is not required to pay taxes electronically until January 1, 2006, but volunteers to participate earlier, the taxpayer can revert to use of a coupon, if necessary, until January 1, 2006. Once a taxpayer is required to use EFTPS, the taxpayer cannot revert to use of a coupon.

Q Will a required taxpayer be penalized for not using the Electronic Federal Tax Payment System?

A Yes. A taxpayer who is required to use EFTPS may be assessed a penalty by the IRS for noncompliance.

On EFTPS

Q How does EFTPS work?

A EFTPS uses Automated Clearing House (ACH) payments to remit taxes due. Taxpayers may choose to use the EFTPS ACH Debit or EFTPS ACH Credit option.

Taxpayers who choose EFTPS ACH Debit may access EFTPS to make tax payments over the Internet or phone. At the completion of the entry, the taxpayer will receive a reference number that the taxpayer should record. On the day prior to the tax payment due date, EFTPS will initiate an ACH Debit transaction to the taxpayer's financial institution.

A business taxpayer using EFTPS ACH Credit will contact its financial institution and provide them with the tax payment data. The financial institution will initiate the ACH Credit to the U.S. Treasury.

With both EFTPS payment methods, the taxpayer must initiate the payment no later than one calendar day before the tax payment due date.

For those business taxpayers needing a Same-Day Payment alternative, or as a backup, a Same-Day Payment mechanism is also available. This mechanism is available to the business taxpayer through its financial institution and can be initiated on the tax due date.

Q If there is a problem with a payment, will the taxpayer be penalized?

A A taxpayer participating in EFTPS is responsible for ensuring that funds are deposited on a timely basis. Internal Revenue Code 6656 provides that a penalty shall be imposed for failure to make a timely deposit of tax.

If it is determined that the failure to pay is based on reasonable cause, the taxpayer will not be penalized. Reasonable cause is determined by the facts of the specific incident, including the events and parties involved, whether the taxpayer exercised ordinary business care, and circumstances beyond the taxpayer's control that prevented timely payment. Generally, the taxpayer must demonstrate that the remitting financial institution or Treasury Financial Agent was provided with the proper information in a timely manner and that sufficient funds were available in the taxpayer's account.

**For ACH Debit returns
and ACH Credit reversals
please contact the Financial
Institution Helpline.
1-800-605-9876**

**Questions about EFTPS
can be directed to the
FMS or EFTPS Customer
Service. (See page 37 for
phone numbers and hours.)**

On EFTPS *(continued)*

Q How does a taxpayer begin to make electronic federal tax payments?

A To participate in EFTPS (whether required or voluntary), a taxpayer must enroll in advance. A taxpayer should enroll online at www.eftps.gov or submit the completed enrollment forms at least four weeks before the first electronic federal tax payment.

Treasury Tax and Loan Program

Q If the financial institution is currently a Retainer or Investor institution, will federal tax payments made through EFTPS be processed through the TIP system?

A Yes.

Q If the financial institution is currently not a Treasury Tax and Loan depository, can it initiate ACH credits for its customers?

A Yes. A taxpayer can use a non-TT&L financial institution to initiate an ACH Credit or any of the Same-Day Payment mechanisms. A non-TT&L financial institution can use any available tax payment mechanism to initiate the tax transaction.

FOR FURTHER INFORMATION

Key Contacts

Questions about EFTPS can be directed to the Financial Management Service (FMS) or EFTPS Customer Service.

Financial Institutions

Questions about ACH and Fedwire® can be directed to the local FRB's Customer Contact Centers during normal operating hours at:

1-800-333-2690

or

1-888-333-7010

(7:30 a.m. - 9 p.m. Monday - Friday ET)

(7:30 a.m. - 9 p.m. Monday - Friday ET)

For the following districts: Boston, New York,
Philadelphia, Atlanta, Chicago, and Kansas City.

For the following districts: Cleveland, Richmond,
Saint Louis, Minneapolis, Dallas, and San Francisco.

or contact:

■ EFTPS Financial Institution Helpline

1-800-605-9876 Available 24 hours a day, 7 days a week.

■ EFTPS Customer Service (*Taxpayer*)

English Speaking:

Business: 1-800-555-4477 (24/7) **Individual: 1-800-316-6541** (24/7)

en español: **1-800-244-4829** (24/7)

TDD (*Hearing Impaired*): **1-800-733-4829** (8 a.m. - 8 p.m. Monday - Friday ET)

■ FR Electronic Tax Application Customer Service Unit

1-800-382-0045 or 1-612-204-6170 (8:45 a.m. - 5:30 p.m. Monday - Friday ET, except for federal holidays)

FR-ETA Web site: <http://minneapolisfed.org/consumer/eftps>

Federal Reserve Financial Services Web site: <http://www.frbsservices.org>

■ National Customer Service Area (*for TT&L and TIP*)

1-888-568-7343

■ Financial Management Service (FMS)

Kevin Wojda (*Marketing*)

1-202-874-6747 (9 a.m. - 4 p.m. Monday - Friday ET)

Mike Mackay (*Operations*)

1-202-874-6892

FMS Web site: <http://www.fms.treas.gov/eftps/index.html>

■ IRS Web site: <http://www.irs.gov>■ EFTPS Web site: <http://www.eftps.gov>

■ To order EFTPS Marketing Materials:

FMS Web site: <http://www.fms.treas.gov/eftps/index.html>

or

1-888-725-7879 (9:30 a.m. - 4:00 p.m. Monday - Friday ET)

